

to participate in the Moving to Work Program. This program, renamed in the bill as the Housing Innovation Program, gives PHAs flexibility to design and test methods that achieve efficiency, reduce costs and promote self-sufficiency.

The bill also enhances HUD's Family Self-Sufficiency Act program which works to give low-income families the skills and experience needed to become economically independent.

I do, however, have major concerns with the provisions in H.R. 1851 that abandons the budget-based funding methodology. Going back to the flawed unit-based methodology like this bill proposes is a recipe for budgetary disaster.

A unit-based system lacks incentives for PHAs to maximize assistance to needy families within a fixed budget. A unit-based formula system that includes costs incurred as well as units put under lease simply tells PHAs to lease at whatever cost they want, even if it is more than the market rate and the market price for the same unit. We already know what that can mean. We have experience with a unit-based approach and have seen what it means.

In fiscal years 2003 and 2004, the Appropriations Committee shifted to a unit-based funding to spur leasing, and the result was skyrocketing per unit cost and total funding requirements that increased by 40 percent, from \$9 billion to \$13 billion, in 2 years. In 2005, a budget-based system was re-instituted.

We, as appropriators, can simply not afford to see a similar increase in the future. Today, in total, the section 8 program has grown to consume 60 percent of HUD's budget. Going back to a unit-based program will only increase that percentage. Simply put, as the Housing Voucher Program takes up more of HUD's budget, there will be less we will have for other housing programs.

As the former chairman of the Appropriations Subcommittee for HUD, and as the current chairman will attest, the growing Housing Voucher Program is forcing Congress to choose between section 8 vouchers and other important HUD priorities. That includes programs that support first-time ownership, home ownership, homeless facilities, and care and housing for the elderly and the disabled.

And then there is this Community Development Block Grant, which I believe virtually every Member supports because they hear from their mayor, the city council and from the county administrators on how the program makes their community better. If we're not careful, these programs will face deep cuts in future years just to accommodate the section 8 increases.

Mr. Speaker, this bill is a work in progress. It has been improved in committee, and I believe amendments before us today can improve it further. I am hopeful that as the bill works its way through into the legislative process, we can improve it even more.

Ms. CASTOR. Mr. Speaker, I reserve the balance of my time.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I want to thank all the distinguished colleagues who have participated in this debate. Obviously this is a very, very important piece of legislation that is being brought forth today.

We have concerns with regard to the process, not in the creation of the legislation itself but in the way in which it has been brought forth to the floor and the rule that brings the legislation to the floor and establishes the terms of debate for the legislation.

I think it has been a good debate. I think we've been able to express certainly our concern with the process, as well as in the case of most Members that I have certainly heard on this debate, the evident awareness of the importance of the underlying legislation and the issue dealt with by the underlying legislation.

Having said that, Mr. Speaker, I yield back the balance of my time.

Ms. CASTOR. Mr. Speaker, I'm very pleased to thank, on behalf of the folks I represent back home in Florida and all Americans, express my thanks to Chairwoman Maxine Waters and to Chairman Barney Frank for standing up and fighting for America's families and affordable housing.

I urge my colleagues to continue the American tradition of promoting the American Dream and turning that dream into a reality for decent, safe, clean and affordable housing, particularly for the elderly, the disabled, veterans in our community, domestic violence victims and all families.

□ 1900

Mr. Speaker, I urge a "yes" vote on the previous question and on the rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Ms. WATERS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on H.R. 1851 and insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SECTION 8 VOUCHER REFORM ACT OF 2007

The SPEAKER pro tempore (Ms. CASTOR). Pursuant to House Resolution 534 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 1851.

□ 1902

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 1851) to reform the housing choice voucher program under section 8 of the United States Housing Act of 1937, with Mr. WEINER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

The gentlewoman from California (Ms. WATERS) and the gentleman from Illinois (Mrs. BIGGERT) each will control 30 minutes.

The Chair recognizes the gentleman from California.

Ms. WATERS. Mr. Chairman, I yield to myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 1851, the Section 8 Voucher Reform Act of 2007. As you know, I introduced H.R. 1851 on March 29, 2007. I want to thank each of my colleagues, both on the Committee on Financial Services and in the House, who have joined with me to see that this important legislation passes the House. I especially want to thank Chairman BARNEY FRANK for his leadership, Ranking Member JUDY BIGGERT, and CHRISTOPHER SHAYS for their original cosponsorship and support of H.R. 1851.

It has been less than 2 months since the Committee on Financial Services considered major reforms to the section 8 program. The Section 8 Voucher Reform Act of 2007, which passed the Committee on Financial Services by a vote of 52-9, is truly the culmination of work that began in the 109th Congress.

There are many Members of Congress who have expressed major concerns to me about the future stability of the section 8 voucher program, given the recent changes in the funding formula and its impact on tenants. This bill addresses many of those problems and will return much needed stability to the section 8 program and the 2 million low-income families who rely upon it.

We heard from the U.S. Department of Housing and Urban Development, public housing agencies, national housing interest groups and advocates, and other housing experts about the importance of reforming the section 8 program. While there is consensus that the section 8 program needed to be reformed, HUD disagrees on how to reform the program.

National housing organizations like the National Low Income Housing Coalition and the Center on Budget and Policy Priorities which represent those directly affected by the change in the funding formula agree that basing the funding for a program as important as the voucher program on data that is 3 years old is just simply bad policy.

In 2004, Congress changed how we paid public housing authorities for vouchers under lease. Instead of paying the actual cost of the voucher, the decision was made to pay for what the